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# WASHINGTON POST COLUMNIST ROBERT SAMUELSON DISCUSSES COOPER-WOLF COMMISSION BILL

Escaping the Budget Impasse

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Almost everyone knows that the next president will have to wrestle with the immense costs of retiring baby boomers. Comes now a small band of Democrats and Republicans who want to do the new president a giant favor. They want to force the new administration to face the problem in early 2009. Why is this a favor? Because dealing with this issue is so politically unsavory that resolving it quickly would be a godsend. Otherwise, it could haunt the White House for four years.

Let's review the problem (again). From 2000 to 2030, the 65-and-over population will roughly double, from 35 million to 72 million, or from about 12 percent of the population to nearly 20 percent. Spending on Social Security, Medicare and Medicaid -- three big programs that serve the elderly -- already represents more than 40 percent of the federal budget. In 2006, these three programs cost \$1.1 trillion, more than twice defense spending. Left on automatic pilot, these programs are plausibly projected to grow to about 75 percent of the present budget by 2030.

Stalemate results because all the ways of dealing with these pressures are controversial. There are only four: (a) massive tax increases -- on the order of 30 to 50 percent by 2030; (b) draconian cuts in other government programs (note that the projected increases in Social Security and Medicare, as a share of national income, are more than all of today's domestic discretionary programs); (c) cuts in Social Security, Medicare and Medicaid -- higher eligibility ages or lower benefits for wealthier retirees; or (d) undesirably large budget deficits.

The proposed escape seems at first so drearily familiar and demonstrably ineffective that it's hardly worth discussing: a bipartisan commission. But what would distinguish this commission from its many predecessors is that Congress would have to vote on its recommendations. The political theory is that, presented with a bipartisan package that cannot be amended, most politicians would do what they believe (privately) ought to be done rather than allow pressure groups, including retirees, to paralyze the process.

There is precedent for this approach. Since 1988, Congress has allowed more than 600 military bases and facilities to be closed or streamlined using a similar arrangement. An independent Base Realignment and Closure Commission evaluates the Pentagon's proposed closings and listens to objections. With the president's approval, it then submits its own list, which goes into effect unless vetoed by both houses of Congress. This process provides members of Congress bipartisan "cover" and prevents amendments from weakening the package.

Two prominent proposals would adapt this approach to the budget. The first, offered by Sens. Kent Conrad (D-N.D.) and

Judd Gregg (R-N.H.), the chairman and ranking minority member of the Budget Committee, would create a 16-member commission, evenly divided between Democrats and Republicans. All eight Democrats would be from Congress, as would six Republicans. The administration would have two members, including the secretary of the Treasury.

Conrad's notion is that the impasse is political and that only practicing politicians -- people with "skin in the game" -- can craft a compromise that can be sold to their peers. The commission would report in December 2008. Twelve of its 16 members would have to support the plan, with congressional passage needing 60 percent approval (60 senators, 261 representatives). These requirements, Conrad and Gregg argue, would ensure bipartisan support.

The other proposal comes from Reps. Jim Cooper (D-Tenn.) and Frank Wolf (R-Va.). It would also create a 16-member commission, with two major differences. First, only four of its members would be from Congress. Second, though Congress would have to vote on the commission's proposal, there would be some leeway for others -- including the president -- to present alternatives as long as they had the same long-term budget impact. Any proposal, however, would have to be voted on as a package without amendments.

A combination of these plans might work best. A 20-member group would be manageable and should include four outsiders to provide different perspectives and, possibly, to build public support. Perhaps the head of AARP should be included. And it would be a mistake to present the next president with a take-it-or-leave-it package. The Cooper-Wolf plan would allow a new administration to make changes -- and get credit -- without being able to start from scratch.

This commission approach has potential pitfalls: It might create a face-saving package that does little. But everything else has failed. The main political beneficiary would be the next president. It would be revealing if some of the hopefuls -- Democrats and Republicans -- would show that they grasp this by providing their endorsements. Otherwise, the odds that Congress will even create the commission are slim.